

## Holyhead Topco Limited – 2021 Annual Report Addendum

### Trends and factors affecting future performance

Holyhead Topco Limited became part of the Patagonia Bidco Group on 18th June 2021. On 31st December 2021, the Group expanded significantly with the acquisition of a number of companies from Grafton Group plc (project Fleming) which included Building Supplies Distribution Limited (formerly Grafton Merchanting (GB) Limited). These included 145 sites trading under the “Buildbase” brand.

The main strategic project of 2022 the combined business is undergoing is the integration of Fleming. The most significant milestones of this project are to:

- Remove reliance on Grafton Group plc for the provision of IT networks and central services;
- Bring the employees, trade and assets of both businesses together within Huws Gray Limited;
- Roll out a change in systems and processes within BSD to the Huws Gray trading and control systems; and
- Centralise and merge back-office teams of both businesses

There has been a positive reception of Huws Gray-Fleming combination across combined business, including staff and customers.

The business is navigating an uncertain macro backdrop, continued supply chain and product cost inflation. We are monitoring the underlying market environment as consumer confidence deteriorates. Cost inflation continues to be seen across both product and overheads bringing challenges to margin.

No further acquisitions have been made to date in 2022, with management’s focus being on integration, the implementation of the combined operating model and roll out of systems.

### Social, community and human rights issues

Please see the Holyhead Topco Limited 2021 annual report for an overview of the Group’s stakeholder responsibilities in addition the Group have the following approaches.

#### Anti-corruption and anti-bribery

The Group is committed to carrying out business fairly, honestly and openly and has a zero-tolerance policy towards bribery and corruption in any form whether direct or indirect. The Group is committed to the implementation and enforcement of effective systems to counter corruption and bribery and will avoid doing business with others who do not commit to doing business with integrity and without bribery or corruption. The Group recognises that preventing bribery and corruption is an ethical issue to which it is fully committed, as such the Group Whistle Blowing Policy and Anti-Bribery and Corruption Policy form part of the employee handbook.

#### Head Office

Huws Gray Ltd, Llangefni Industrial Estate,  
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### **Ethical sourcing**

The Group have a responsibility to workers in the supply chain and seek to ensure that all products are made in an appropriate environment and the products sourced are produced in accordance with international laws and legislation.

### **Human rights**

The Group aim to act ethically and with integrity in all business dealings. As part of this commitment and in accordance with global Modern Slavery legislation, the Group is in the process of implementing a Human Rights Policy, guided by the International Labour Organisation Declaration on Fundamental Principles and Rights at Work. Whilst many of the Group's existing policies will touch upon elements of human rights the Group feel it is important to have a dedicated policy to human rights because the Group respects and supports human rights and is committed to the highest level of ethical standards and sound governance arrangements.

Further details and the Group's Modern Slavery and Human Trafficking Statements can be found on the Huws Gray website.



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